BRIEF IN SUPPORT OF WRIT OF CERTIORARI

I. Opinions of the Courts Below

The decision of the Circuit Court of Appeals for the Second Circuit is reported at 124 Fed. (2d) 330 and is printed at Record pages 442-444.

The opinion of District Judge Goddard is reported at 39 Fed. Supp. 153 and is reported at Record pages 419 et seq.

II. Jurisdiction

The statute under which the jurisdiction of this Court is invoked is 240(a) of the Judicial Code, 28 U. S. C. 347, as amended by the Act of Congress of February 13, 1925 (43 Stat. 938).

The cases believed to sustain jurisdiction as set forth at page 13 of the Petition.

Judgment was rendered in a suit brought by respondent under the Declaratory Judgment Act, Title 28, U. S. C., par. 400, to have declared invalid Fleisher Patent No. 2,123,847, in which action petitioner sets up a counterclaim charging infringement and praying for the usual equitable relief.

The date of the judgment sought to be reviewed is January 16, 1942 (R. 461).

A Petition for Rehearing (R. 445 et seq.) was denied January 8, 1942 (R. 460).

Statement

The facts material to the consideration of the questions presented are believed to be sufficiently stated in the Petition.

III. The Statutes Involved

The pertinent provisions of the statutes are printed in the appendix at page 33.

Specification of Errors

The specification of errors which your petitioner will urge if the Writ of Certiorari is granted are

That the Circuit Court of Appeals for the Second Circuit in the instant case erred:

(1) In holding claim 2 of the patent in suit, No. 2,123,847, invalid for prior use by the respondent of its fabric "1838 new setup".

(2) In holding that the "validity of all the claims depends upon that of Claim Two".

(3) In holding that the fabric in the folder, Arcadia Exhibit 64-G, relating to its fabric "'1838 *new* setup' must have been what was sold on November 16, 1936 (the date in said folder) and later as '1838', not the supposititious earlier fabric for which it was substituted and of which we have no trace".

(4) In holding that "there is no reason to suppose that any popularity which the fabric enjoyed depended upon the successions of Claims One and Three; that is, that they made a more acceptable fabric than that which Claim Two added. The specifications do not suggest any superiority of one over the other".

(5) In affirming the judgment of the District Court.

(6) In failing to hold all the claims valid and infringed by respondent.

(7) In not holding that the specific claims 1 and 3 did not depend for their validity on claim 2 and that the same are valid and infringed by respondent.

(8) In not reversing the judgment of the District Court and sustaining petitioner's counterclaim and granting the relief prayed for therein.

Argument

In the interest of brevity many of the issues raised in the Petition have been presented so as to virtually speak for themselves. Moreover, in the Petition for Rehearing to which this Court is respectfully referred (R. 445 et seq.) we have summarized essential facts which show that the Record herein utterly fails to support the holdings of the Circuit Court of Appeals that

> "The plaintiff put in evidence a 'folder bearing date November 16, 1936, which contains a fabric anticipating Claim Two' ", and
>
> "Certainly some fabric must have been in the folder of November 16, 1936, and that fabric must have been what was sold as '1838' at that time and later, not the supposititious earlier fabric for which it was substituted and of which we have no trace."
>
> "If Claims Two and Four were anticipated, Claims One and Three are also invalid, because whatever useful novelty there was in the invention lay in what is known as the 'one and one arrangement'."

As stated in the Petition, page 5, the structure of the patented fabric can best be appreciated by a consideration of Princeton Exhibit G-1, which is a photomicrograph of the "float" surface of petitioner's Fluff Knit, this being the trade-mark by which the petitioner's patented fabric is known to the trade. Also, as stated in the petition, the important and highly desirable qualities or advantages of

Fluff Knit can be quickly realized by an inspection of the Lady's Sleeping Garment, Princeton Exhibit C, certified to this Court as a Physical Exhibit, and which the petitioner's witness, Allen Shepard, produced as being indicative of the products made from petitioner's Fluff Knit by his company, William Carter Company, one of the large underwear concerns and which has been in business for seventy-five years (R. 130).

He explains that prior to purchasing Fluff Knit there had been to his knowledge no such material on the market (R. 132). That this fabric Fluff Knit had been an important contribution to the business of his concern. He states: "In fact it has been important up to the limit of our present capacity for this type of merchandise" (R. 133). He states that his concern purchased 97,000 lineal yards of Princeton Fluff Knit in 1939 and 185,000 yards in 1940, the same being used for the manufacture of women's, children's and infant's undergarments" (R. 131).

Representative of the stores handling Carter's goods are B. Altman, Arnold Constable, Franklin Simon of New York, Marshall Field & Company, Carson, Pirie, Scott & Company and Mandel Brothers of Chicago (R. 133).

Petitioner's witness, Ernest L. Olrich, president of Munsingwear, one of the largest manufacturers of underwear in the country, states that in 1940 he purchased between 450,000 to 500,000 yards of petitioner's Fluff Knit (R. 241) and that in that year he had purchased it exclusively from Princeton Knitting Mills, although in 1939 and until the summer of that year he had purchased that type of material from Arcadia Knitting Mills (R. 239). He states that Fluff Knit fabrics were eminently satisfactory and were used for manufacturing women's and children's sleeping garments and bed jackets (R. 239). The witness, Doft, president of petitioner, states that in 1938 the sales of Fluff Knit were between 275,000 and 300,000 lineal yards of a width of 52 to 54 inches and that in 1939 the sales were 1,594,000 yards and in 1940, only to December 1st, 3,146,895 yards (R. 148-149). When it is realized that the

defendant sells its infringing cloth, which is of the identical construction with that covered by the most specific claim, for 33¢ a yard (see said letter from Reinhard to Eader Textile Corp. [Princeton Ex. D]), the amount of business which petitioner did in the first eleven months of 1940 is better appreciated, its sales representing over a million dollars worth of business of this fabric in eleven months. Even respondent's counsel conceded the commercial success of Fluff Knit (R. 269).

The Alleged Prior Use by Arcadia

From the facts presented in the petition as to the Proofs of Prior Use by Arcadia, it clearly appears that no witness on behalf of respondent testified that he or she knew that the so-called No. 1838 fabric appearing on invoices, Arcadia Exhibit 80, which was shipped in 1936 and 1937, or the "job lot" shipped in 1939, was made in accordance with any particular machine "setup". This fact, however, is certain—it was not made in accordance with the "setup" shown in the folder produced during the taking of testimony of Wald comprising Arcadia Exhibit 64-G, as this folder does not relate to the quality No. 1838 as specified on the invoices, but as appears by a mere inspection thereof, in column 3 under the heading "Quality", it relates to No. 1838 new setup. This beyond any peradventure of a doubt clearly indicates that the structure of the cloth No. 1838, so specified in the invoices, was a different structure from that of the cloth No. 1838 "new setup" given in this Exhibit 64-G, and most significantly the date on this folder is November 16, 1936—over two months after September 9, 1936, the date of the first invoice introduced to show sales of fabric quality No. 1838 (see Invoice No. 5934 of Arcadia Ex. 80).

The following testimony of Miss Crouse concerning the construction of "new setup of No. 1083" as compared with the construction of No. 1083 is conclusive to the effect

that whatever may have been the structure of this so-called No. 1838 cloth, shipped over two months before the date when the folder, Arcadia Exhibit 64-G, was made up, was different in construction from the "new setup" of No. 1838 shown in Arcadia Exhibit 64-G. She states on her cross-examination:

> "Q. Please refer to Exhibit 64-I and state what this notation in the upper left-hand corner of the cover means: 'Our No. 2 sample new setup of 1083.' A. Apparently there was a change made in the construction of 1083 and the information on this folder would show our new setup of 1083.
>
> "Q. You could not personally swear that none of these records were changed after they were originally made in these folders, could you? A. I could not" (R. 82, 83).

Respondent confined its proof of structure, as distinguished from sales, of its alleged *prior use* fabric "1838", to questions propounded to Miss Crouse, its office manager (R. 78), the same appearing at Record pages 391-395, the following being typical of these questions:

> "Q. Do you have more than one 1838? A. No.
>
> "Q. You are sure there is only one 1838? A. Yes.
>
> "Q. I hand you herewith folder marked Plaintiff's Exhibit 64-G, with the number 1838 on it. Are you sure that the cloth is your cloth 1838?
>
> "Mr. Swenarton: I object to that. She is not qualified to look at a piece of cloth and say it is the same construction.
>
> "Q. You may answer. (Question read.)
>
> "The Court: You are sure that is the cloth which has been designated by the Arcadia Company as 1838, are you?
>
> "The Witness: Yes, your Honor.
>
> "The Court: And that is the same cloth that has been designated as 1838 all through?
>
> "The Witness: Yes, sir" (R. 391, 392).

* * * * * *

"Q. Do you recognize the cloth in the folder 64-G as Arcadia cloth 1838? A. Yes.

* * * * * *

"Do you know the technical construction of this cloth as to float or inlay or anything of that kind? A. No.

"Q. How do you then know that this is your cloth 1838? A. It is identified in our records as 1838. That is the number that has been assigned to that piece of cloth" (R. 393).

Now there were five sales of the cloth 1838 before November 16, 1936, the date which appears in the folder relating to the Arcadia cloth "1838 new setup" comprising Arcadia Exhibit 64-G. The first sale was on September 9, 1936, over two months before the date on said folder 64-G.

The knitting room foreman, Joseph Wald, testified that the *date* on each folder is the date when the sample swatch was *made up* (R. 93). Certainly this cloth "1838 *new* setup" described in folder 64-G was not both *approved* and placed *in production* over two months before the date, November 16, 1936, in folder 64-G, since the witness Miss Crouse states at Record page 79:

"After they" (those in charge) "have *approved* the production of the cloth, the office then assigns a *cloth number* to the cloth, after which cuts are sent to the various selling agents and to the trade * * *

"* * * when the cloth number has been *approved for production,* the number is then assigned to the cloth and this number is given to the knitting room. These numbers are then put on the folder" (R. 79).

She then explains, at Record page 80, that the reason the folder Arcadia Exhibit 64-A has no "number" is that it was *not approved* for production, thus clearly showing that neither the date appearing in this folder 64-A nor the date of "November 16, 1936" in the folder Arcadia Exhibit 64-G relating to "1838 *new* setup" has any reference or relation to the date when the fabric in any such folder *went* into production.

Furthermore this cloth "1838" was first sold September 9, 1936, over *two* months before the date November 16, 1936, or the folder 64-G relating to the Arcadia cloth "1838 new setup" (R. 443).

The "boy" who made up the folders (R. 94) was neither called nor identified and the witness Wald, who was the only witness called by respondent that was familiar with fabric structure, was not even interrogated as to the fabric "1838" of which the swatch in folder 64-G was a "new setup". Instead of that, respondent produced Miss Crouse, who as office manager was necessarily closely associated with its general manager and president Reinhard, referred to at page 8 of the petition, and she made the wholly inconsistent assertion that the fabric "1838" actually first sold on September 9, 1936, over two months before the first swatch of fabric "1838 new setup" was first made up experimentally, was of the *same* construction as the fabric "1838". She never made the contention found in the decision of the Court of Appeals, that the fabric "1838 new setup" was "*substituted* for the earlier fabric" "1838" of whose construction "there is *no trace*" in the Record. She did however, as previously stated, explain that the expression "*new* setup of 1083" meant that "apparently there was a change in the construction of 1083 and the information on this folder" (referring to the folder 1083 *new* setup) "shows our *new* setup of 1083" (R. 83).

Concerning Questions 1-4 and 7-9 of the Petition

The proofs of prior use by respondent herein and which are presented by questions 1-4 and 7-9 of the petition utterly fail to meet the rigid tests as required by the decisions of this Court and the Circuit Courts of Appeal in various circuits, particularly the following tests:

(a) Such prior use must be established at least by more than a dubious preponderance if not beyond a reasonable

doubt. *Radio Corporation of America* v. *Radio Engineering Laboratories,* 293 U. S. 1, and the various citations therein of decisions of this Court and various Circuit Courts of Appeal.

(b) Uncorroborated oral testimony even of witnesses of the highest character is insufficient. *Deering* v. *Winona Harvester Works,* 155 U. S. 301; *Searchlight Horn Co.* v. *Victor Talking Machine,* 261 Fed. 395. Here, the testimony of the witness Miss Crouse, who was the only witness interrogated as to structure of the fabric "1838" shown in respondent's invoices, not only was uncorroborated but her testimony that fabric "1838" was of the same construction as "1838 new setup" was flatly opposed by other testimony of this witness respecting the meaning of the term "new setup of 1083", which was to the effect that it referred to a *change in construction* over 1083 and the information on the folder would show our *new* setup.

(c) Mere experiments not tested out and subsequently abandoned do not constitute prior use, which must be something more than an incidental or casual one. *The Corn Planter Patent,* 90 U. S. 211; *Gayler* v. *Wilder,* 10 How. 477; *Coffin* v. *Ogden; Ramsey* v. *Lynn,* 187 Fed. 218; *Boyd* v. *Cherry,* 50 Fed. 279.

(d) The prior use must not merely constitute an experiment and end on experiment, subsequently to be laid aside and abandoned. *Howe* v. *Underwood,* 1 Fisher 166.

Possibly the best test of the utter insufficiency of the case of prior use presented herein, is to consider the converse of the situation and assume that in attempting to prove infringement, counsel for Princeton had *merely* shown sales of fabric 1838 but *no written* record or other proof of its structure. Now let us also assume he introduced in evidence the folder Exhibit 64-G herein, dated November 16, 1936, and then contended, because of the existence of this folder, *all* fabric sold *after* November 16,

1936, *must* have been of the construction shown therein because no folder showing the structure of 1838 could be located. Would any court hold that such proofs established that the fabric 1838 infringed the patent in suit? Most certainly not. Yet proof of infringement need only be proved by a preponderance of evidence and not as in the case of a prior use—*beyond a reasonable doubt.*

Concerning Question 5 of the Petition

The Court of Appeals in holding that "There seems to be no reason to suppose that any popularity which the fabric enjoyed depended upon the successions of Claims One and Three" (these being the specific claims), apparently overlooked not only the fact that the three-and-three succession of "floats" and "inlays", which is the fabric structure of claim 1, is stressed in the last sentence of page 2, column 1, of the specification of the patent (R. 405), but is the *only* structure illustrated in the drawings and is the basis not only of claim 1 and also, as aptly stated by the Court of Appeals, "there must be in each repeat successions which are the same" as required by claim 3.

The advantages of this three-and-three succession are discussed by the petitioners' expert witness, Frank W. Dahn, at pages 200 and 201, wherein he especially directs attention to the fact in the same areas of two fabrics one of which has the "three-and-three succession" of floats and inlays, corresponding to column 1 on the Blackboard Exhibit reproduced at Record page 404, and the other of which has the "one-and-one succession" corresponding to column 2 on the blackboard, there are approximately one-quarter as many gaps to be covered in the "three-and-three" succession as in the "one-and-one" succession (R. 202).

This *combination* between the crowns of the loops of the jersey base fabric and the "inlays", which imparts run-resistance characteristics to the jersey base fabric, as referred to at pages 3-4 of the petition, cannot be realized if,

as in the case of Arcadia cloths 2386 and 2387 referred to in the opinion of the District Court (R. 423), where the float and inlays are three wales wide, as in that case instead of hugging the crown of each loop of the base fabric, the "inlays" wil each lazily extend across *three* wales of base fabric loops and form a hodge-podge fabric without imparting run-resistance characteristics to the jersey base fabric.

It is submitted that the importance of the "three-and-three succession" covered claim 1, the most specific claim, is accentuated by the slavish imitation of same by respondent in its fabric "1078" which it concedes infringes *all* the claims, if valid. Since respondent's adoption of this fabric structure covered by the specific claim 1 in 1938 respondent has sold millions of yards thereof (R. 330), whereas the sales of its fabric "1838" had virtually ceased on April 23, 1937, since during the balance of that year it sold but two lots, totalling 3 lbs. 5 ozs., and during the entire year of 1938 not a single ounce of the fabric 1838, whatever its structure, was sold (R. 389).

Concerning Question 6 of the Petition

The case of *Diamond Rubber Co.* v. *Consolidated Tire Co.*, 220 U. S. 428, 441, fits the situation presented by question 6 so perfectly that, if the name of petitioner herein be substituted for the Tire Company and the name of respondent for that of the Rubber Company and the name "Fluff Knit" be substituted for the name "Grant Tire", one reading the decision could easily imagine that it was based on the facts presented by the instant case.

From the foregoing it appears the Circuit Court of Appeals for the Second Circuit in the instant case has rendered a decision which is in direct conflict with the decision of the Circuit Court of Appeals in other Circuits and of this Court and which has seriously prejudiced the rights of your petitioner and injuriously affected an important nation-wide industry.

CONCLUSION

The reasoning expressed in the opinion of the Court below in finding claim 2 of the patent invalid because of prior use and claims 1, 3 and 4 invalid because of the invalidity of claim 2, is manifestly unsound, and is unwarranted either by the facts or the law of the case and is in irreconcilable conflict with the decisions of the Courts of Appeals of other Circuits and of this Court on the same subject, namely:

(a) as to the degree and sufficiency of the proofs required of a defendant who sets up a defense of prior use in order to establish invalidity of a patent;

(b) the necessity of introducing the "higher degree" of proof, not the "inferior degree" of proof, as required by the universal rule of evidence discussed in the aforesaid case of *Clifton* v. *United States*, ante, page 2; and

(c) as to the question of patentability of specific claims, irrespective of the invalidity of the broad claims, where it is shown that the defendant abandoned its alleged prior use before the issuance of the patent, slavishly copied the specific structure of the most specific claim of the patent in suit and thereafter extensively sold the copied structure.

We respectfully submit that for the reasons stated herein and in the annexed Petition for a Writ of Certiorari that the same should be granted.

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